

REMARKS

In view of the foregoing amendments and the following remarks, reconsideration and allowance are requested.

Claims 11-25, 33-55, 64-99 and 133-211 remain pending with claims 11, 20, 33, 40, 43, 49, 54, 55, 133 and 146 being independent. Claims 212-218 have been cancelled and claims 11-18, 20, 33, 40, 42-44, 54, 55, 64-66, 68-75, 78, 79, 81, 82, 88, 90, 133, 135, 137, 139, 142-146, 152, 158, 164, 170, 176, 182, 188, 194, 200, and 206 have been amended.

For the reasons set forth at pages 2-52 of the office action, claims 11-25, 33-55, 64-99 and 133-218 stand rejected under 35 USC 102(b) and/or 103(a) as allegedly being unpatenable over one or more of several references including Banatre, Borman, Debenedictis, Delphi/Boston, Ferguson, Cummings, Flynn, Lindsey, Du Bois, and Keithley. These rejections and their underlying rationale are traversed in their entirety.

Independent claim 11 is directed to a computer-implemented method for conducting auctions on the internet. As presented, claim 11 recites a communication handler program executing on a host computer that receives information from a poster corresponding to an item for auction. The information received from the poster includes (i) a designation of a category, selected from a list of categories, under which the item for auction is to be listed, and (ii) input relating to scheduling an auction for the item. At least a portion of the received information is processed by a database-to-presentation formatting program into a presentation format that includes an indication of the category of the item for auction.

Claim 11 further recites that, based at least in part on the category designation and auction scheduling information previously received from the poster, an instance of an ascending-bid auction process is initiated automatically to conduct an auction for the item over the Internet. The ascending-bid auction process automatically conducts an auction for the item to completion by operations including presenting the presentation format to a plurality of potential buyers; receiving at the host computer one or more bids on the auctioned item from one or more bidders; and terminating the auction after a predetermined time.

Support for the features of claim 11 appears in the application as originally filed, for example, at least in the following locations:

- A “poster” is, for example, a person using a computer system to post an item for auction on a computer-implemented auction system – see, e.g., Figs. 12 and 13, and corresponding text at page 26, line 13 et seq. A poster may be either the owner of the item to be auctioned (see, e.g., page 6, lines 5-11) or someone acting on the owner’s behalf (see, e.g., page 4, lines 7-16).
- A communications handler program receiving information from a poster including (i) a designation of a category, selected from a list of categories, under which the item for auction is to be listed (see, e.g., Fig. 13 and page 28, lines 13-17), and (ii) input relating to scheduling an auction for the item (see, e.g., page 10, lines 5-10 and page 18, lines 23-25).
- An ascending-bid auction process that automatically conducts an auction for the item to completion by operations including presenting the presentation format to a plurality of potential buyers; receiving at the host computer one or more bids on the auctioned item from one or more bidders; and terminating the auction after a predetermined time (see, e.g., page 10, line 25 – page 11, line 14; Fig. 4, page 18, line 22 – page 20, line 12;).

The art of record, regardless of how it is hypothetically combined, fails to disclose or suggest the combination of features recited in claim 11.

The primary citation, Banatre, relates to a design for a centralized auction bidding system that implements a “dutch-clock” type auction. Contrary to the Patent Office’s assertion, the “dutch-clock” referenced in Banatre has nothing to do with time, much less auction scheduling, but rather relates to a pricing scheme in which possible pricing for available lots are arranged roughly in a manner visually similar to a clock. See Banatre at page 19, right-hand column.

Accordingly, Banatre fails to disclose or suggest a computer-implemented method for conducting auctions on the internet as recited by claim 11 in which, based at least in part on the category designation and auction scheduling information previously received from the poster, an

instance of an ascending-bid auction process is initiated automatically to conduct an auction for the item over the Internet. Benatre includes no teaching of poster-specified item categories or auction scheduling information that is used to automatically initiate an auction process. To the contrary, Benatre discloses that its auction system is controlled by a human seller who "push[es] a key" to transmit a proposition to interested buyers and then waits for the buyers to make offers.

Moreover, Benatre discloses that its seller, once having manually started an auction by pushing a key, then decides whether to accept or reject the best available offer and transmits this decision to the buyer. Benatre at page 20, right-hand column. Consequently, Benatre also fails to disclose the feature of claim 11 that the automatically initiated auction process conducts the auction to completion. Rather, Benatre discloses that ongoing input and involvement is required by its seller.

These differences between Benatre and the method of claim 11 result in several advantages. For example, by enabling an auction process to be automatically initiated based at least in part on seller-specific item category and auction scheduling information, and automatically conducting the auction to completion, the method of claim 11 provides an ability, among others, to have economically scalable and self-organizing auctions. Without these features, conventional systems such as Benatre's are limited in that a seller may conduct only one or a few auctions at a time and must be actively and personally involved in each auction. See, e.g., Benatre at pages 20 and 25. Not surprisingly, these conventional electronic auction systems, because they are incapable of achieving the same scalability and critical mass of an electronic auction conducted in accordance with the method of claim 11, never achieved widespread application or acceptance, nor the longevity that comes as a result of economic success.

The Patent Office's assertion that patentability of the claims is somehow negated by the CCPA's decision in In re Venner, 262 F.2d 91, 95, 120 USPQ 193, 194 (CCPA 1958), is misplaced and incorrect. In Venner, the appellant argued that claims to a permanent mold casting apparatus for molding trunk pistons were allowable over the prior art because the claimed invention combined "old permanent-mold structures together with a timer and solenoid which

automatically actuates the known pressure valve system to release the inner core after a predetermined time has elapsed." The court held that "[i]t is well settled that it is not 'invention' to ***broadly*** provide a mechanical or automatic means ***to replace manual activity which has accomplished the same result.***" (Emphasis added.)

Regardless of whether Venner is still good law, it is inapplicable to the claims at issue in this application. First, in contrast to Venner, the claims as presented here are not "broad" recitations of mechanical or automatic means. Rather, claim 11 recite specific and detailed computer-implemented acts and structure to define a relatively narrow computer-implemented process. Moreover, the method of claim 11 does not merely "replace manual activity which has accomplished the same result." To the contrary, the computer-implemented auction of claim 11 is capable of accomplishing a result highly superior to that which could be obtained manually. Namely, as noted above, an electronic auction method according to claim 11 achieves economically scalability, self-organization and critical mass well beyond that which ever could be achieved manually. Accordingly, Venner is inapposite to the present claims for at least this reason.

The citation to Borman fails to cure the deficiencies of Benatra. More particularly, Borman, which relates to electronic agricultural auctions in the United Kingdom, includes no teaching or suggestion of a computer-implemented method as recited in claim 11 that receives poster-specified item category and auction scheduling information from a poster, and then uses that information to automatically initiate an auction process that conducts an auction to completion. To the contrary, Borman suggests that auction scheduling and item categorization is controlled by a central authority. See, Borman, e.g., at page 27, right-hand column ("Electronic auctions are held several times a day Mondays to Fridays ..."; "Information about the products for sale is fed into IBM compatible PCs or terminals at the local franchise office and sent to the company in Thainstone ...")

The remaining references – Debenedictis, Delphi/Boston, Ferguson, Cummings, Flynn, Lindsey, Du Bois, and Keithley – whether taken alone or in combination, similarly fail to disclose or suggest fails to disclose or suggest a computer-implemented method for conducting

auctions on the internet as recited by claim 11 in which, based at least in part on the category designation and auction scheduling information previously received from the poster, an instance of an ascending-bid auction process is initiated automatically to conduct an auction for the item over the Internet.

Independent claim 11 is allowable over the art of record for at least the foregoing reasons. The other independent claims – 20, 33, 40, 43, 49, 54, 55, 133 and 146 – each recites a system or method in which, based on poster-specified item category and auction scheduling information previously received from a poster, an ascending-bid auction process is initiated automatically to conduct to completion an auction for the item over the Internet. Accordingly, these independent claims are allowable at least for the same reasons that claim 11 is allowable.

The remaining claims each depends directly or indirectly from one of the independent claims discussed above. Accordingly, these dependent claims are allowable for the reasons that their respective independent claims are allowable and for reciting allowable subject matter in their own right. Independent consideration and allowance of the dependent claims are requested.

It is believed that all of the pending claims have been addressed. However, the absence of a reply to a specific rejection, issue or comment does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above may not be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intention to concede any issue with regard to any claim, except as specifically stated in this paper, and the amendment of any claim does not necessarily signify concession of unpatentability of the claim prior to its amendment.

In view of the foregoing, this application is in condition for allowance and prompt notice to that effect is requested.

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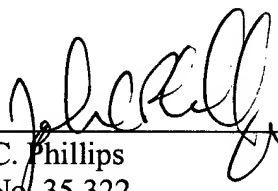
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Respectfully submitted,

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12/7/04



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